

### Subpart C—Participation and Submission Requirements; Distribution of Assistance

#### § 93.100 Participation and submission requirements.

(a) *Notification of intent to participate.* Not later than 30 calendar days after HUD's publication of the formula allocation amounts as provided in § 93.53, the State must notify HUD in writing of its intention to become an HTF grantee for the first year of HTF funding.

(b) *Submission requirement.* To receive its HTF grant, the grantee must submit a consolidated plan in accordance with 24 CFR part 91.

#### § 93.101 Distribution of assistance.

(a) A State may choose to be the HTF grantee to receive and administer its grant or it may choose a qualified State-designated entity to be the HTF grantee.

(b) Each grantee is responsible for distributing HTF funds throughout the State according to the State's assessment of the priority housing needs within the State, as identified in the State's approved consolidated plan.

(c) An HTF grantee may choose to directly fund projects by eligible recipients in accordance with the State's HTF allocation plan or to fund projects by eligible recipients through one or more subgrantees. An HTF subgrantee that is a unit of general local government must have a consolidated plan under 24 CFR part 91, and must include an HTF allocation plan in its consolidated plan (see 24 CFR 91.220(l)(4)), and must select projects by eligible recipients in accordance with its HTF allocation plan. Because a State has only one consolidated plan, and HTF allocation plan for an HTF subgrantee that is a State agency must be included in the State's HTF allocation plan. The grantee or subgrantee must determine that the applicant is an eligible recipient that meets the definition of "recipient" in § 93.2 before awarding HTF assistance.

(d) If the HTF grantee subgrants HTF funds to subgrantees, the grantee must ensure that its subgrantees comply with the requirements of this part and carry out the responsibilities of the

grantee. The grantee must annually review the performance of subgrantees in accordance with 24 CFR 93.404(a).

### Subpart D—Program Requirements

#### § 93.150 Site and neighborhood standards.

(a) *General.* A grantee must administer its HTF program in a manner that provides housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 *et seq.*, E.O. 11063, 3 CFR, 1959-1963 Comp., p. 652) and HUD regulations issued pursuant thereto; and promotes greater choice of housing opportunities.

(b) *New rental housing.* In carrying out the site and neighborhood requirements with respect to new construction of rental housing, a grantee is responsible for making the determination that proposed sites for new construction meet the requirements in 24 CFR 983.57(e)(2).

#### § 93.151 Income determinations.

(a) *General.* The HTF program has income-targeting requirements. Therefore, the grantee must determine that each family occupying an HTF-assisted unit is income-eligible by determining the family's annual income.

(b) *Definition of "annual income."* (1) When determining whether a family is income-eligible, the grantee must use one of the following two definitions of "annual income":

(i) "Annual income" as defined at 24 CFR 5.609; or

(ii) "Adjusted gross income" as defined for purposes of reporting under the Internal Revenue Service (IRS) Form 1040 series for individual federal annual income tax purposes.

(2) The grantee may use only one definition for each HTF-assisted program (*e.g.*, down payment assistance program) that it administers and for each rental housing project.

(c) *Determining annual income—(1) Tenants in HTF-assisted housing.* For families who are tenants in HTF-assisted housing, the grantee must initially determine annual income using